

# **HFMA Region 10 Preparing Your Occupational Mix Survey**

---

Presented by:

**R-C Healthcare Management  
Services, Inc.**

K. Michael Webdale Jr., CPA – President & CEO

# Agenda

- **General Overview**
  - Occupational Mix background
  - Importance of Occupational Mix
  - Who has to participate in Occupational Mix Survey?
  - Survey due dates
- **Discuss the categories for data input**
  - Gathering data
- **How occupational mix adjustment factor is calculated**
- **The impact on wage index**
- **Strategy for completion**

# Occupational Mix Background

- Section 304(c) of Public Law 106-544 amended section 1886(d)(3)(E) of the Social Security Act requires Centers of Medicare and Medicaid (CMS) to collect data every 3 years on the occupational mix of employees for each short-term, acute care hospital participating in the Medicare program.
- CMS estimates that it takes more than 480 hours to complete the occupational mix survey, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collection.

# Why is Occupational Mix Important?

- “The purpose of occupational mix is to control for the effect of the hospitals’ employment choices on the wage index”
- “The varying labor cost associated with these choices reflect hospital management decisions rather than geographical differences in the costs of labor”
- To standardize skill mix across markets so that the wage index reflects only the pure price difference between markets and the nation
- If you decide to staff with higher RN levels your wage index is higher so Occupational Mix controls that effect

# Why is Occupational Mix Important?

- Markets with an expensive mix of employees and contract labor have their AHW adjusted downward; those with a cheaper mix of employees and contract labor have their AHW increased
- The most important factor is RN hours to total nursing hours. The national percent from the previous survey was 71.5%, so if your RN percentage was greater than that, you received a negative occupational mix adjustment (OMA). If it was less than 71.5%, then the adjustment was a positive OMA

# Why is it Needed?

- The Occupational Mix Survey is an integral part of the wage index
  - Nursing salaries as a percentage of total salaries are the portion of the wage index adjusted by the Occupational Mix Adjustment Factor
- The purpose of the data collection is to construct a Occupational Mix Adjustment Factor (OMAF) that will be applied to the FFY 2019, 2020 and 2021 wage index

# What Has Been the Effect of the Occupational Mix?

- Small and rural hospitals that need to hire a certain number of RNs end up with a higher percentage of RN to total nursing hours
- These hospitals often receive a negative OMA due to this higher percentage
- The hospitals that the OMA was designed to help, or at least even the playing field, are the ones most often hurt by it

# Who Must Participate?

- Any hospital that is subject to the Inpatient Prospective Payment System (IPPS) or any hospital that would be subject to IPPS if not granted a waiver
  - Excluded from the survey
    - Critical Access Hospitals
    - Any hospital that terminated participation in the Medicare program before January 1, 2016



# Participation Rates

- Prior survey had a **nationwide** response rate of **94%**

| State    | Response | State      | Response |
|----------|----------|------------|----------|
| Arizona  | 94.6%    | New Mexico | 88.0%    |
| Colorado | 89.1%    | Utah       | 94.1%    |
| Idaho    | 100%     | Wyoming    | 100%     |
| Montana  | 100%     |            |          |

- No Penalty for non-response in the past. CMS reserves the right to apply a penalty for non-response. Currently a non-responding hospital receives its areas average occupational mix

# Important Dates

- The Occupational Mix Survey is due July 1, 2017 and will be applied to the FFY 2019
  - Completed Occupational Mix Survey must be submitted to your fiscal intermediaries, on the Excel reporting form.
    - Form CMS – 10079 OMS
  - The Excel version of the occupational mix survey can be downloaded from CMS website

# Important Dates

- The fifth and most recent Occupational Mix survey was conducted from 1/1/13 to 12/31/13. Third and final year of impact begins October 1, 2017
- This filing is for calendar year 2016 (pay periods ending between January 1, 2016 and December 31, 2016)
  - They are looking for 26 pay periods without accruals or other adjustments
- Due July 1, 2017

# Occupational Categories

- The occupational categories derive directly from the BLS employee categories
- Include employees, directly hired and acquired under contract
  - RNs
  - LPNs and Surgical Technologists
  - Nursing Assistants and Orderlies
  - Medical Assistants
  - All Other Occupations

# Occupational Categories

| <b>Occupational Category</b>            | <b>Paid Salaries</b> | <b>Paid Hours</b> | <b>Average Hourly Wage<br/>(Salaries/Hours)</b> |
|---|----------------------|-------------------|---|
| <b>Nursing Occupation</b>               |                      |                   |   |
| <b>RNs</b>                              |                      |                   |   |
| <b>LPNs and Surgical Technologists</b>  |                      |                   |   |
| <b>Nursing Assistants and Orderlies</b> |                      |                   |   |
| <b>Medical Assistants</b>               |                      |                   |   |
| <b>Total Nursing</b>                    |                      |                   |   |
|   |                      |                   |   |
| <b>All Other Occupations</b>            |                      |                   |   |
|   |                      |                   |   |
| <b>Total (Nursing and All Other)</b>    |                      |                   |   |

# Cost Centers to be Used for Occupational Categories – from Worksheet A

| COST CENTER DESCRIPTIONS   |  | Lines for<br>2552-10 |
|--|--|----------------------|
| Nursing Administration   |  | 13                   |
| Adults and Pediatrics (General Routine Care)   |  | 30                   |
| Intensive Care Unit  |  | 31                   |
| Coronary Care Unit   |  | 32                   |
| Burn Intensive Care Unit   |  | 33                   |
| Surgical Intensive Care Unit   |  | 34                   |
| Other Special Care (specify)   |  | 35                   |
| Nursery  |  | 43                   |
| Operating Room   |  | 50                   |
| Recovery Room  |  | 51                   |
| Delivery Room and Labor Room   |  | 52                   |
| Electrocardiology  |  | 66                   |
| Renal Dialysis   |  | 71                   |
| Ambulatory Surgical Center (Non-Distinct Part)   |  | 72                   |
| Other Ancillary  |  | 73                   |
| Clinics  |  | 90                   |
| Emergency  |  | 91                   |
| Observation Beds   |  | 92                   |
| Note: Subscripted cost centers that would normally fall into one of these cost centers should be included on the survey. |  |                      |

# Gathering the Data

- **Paid Salaries**

- Regular, overtime, vacation, holiday, sick, lunch, other paid time off, severance and bonuses

- **Paid Hours**

- Regular, overtime, vacation, paid holiday, sick, lunch, other paid time-off and severance hours
- Overtime hours paid at time and a half should be recorded as one hour
- Salaried employees paid a fixed rate should be 40 hours per week or hours actually worked
- Do not include non-paid lunch periods, and on-call hours in the total paid hours
- No hours are required for bonus pay

# Who May be Involved in the Process

- **Chief Nursing Officer**
- **Payroll**
- **Human Resources**



# Registered Nurse Wage Data

- May 2015 U.S. BLS wage data:
  - Highest – California                      \$48.68 AHW                      \$101,260 annual
  - Lowest – Iowa                                      \$26.46 AHW                      \$ 55,040 annual
- RN wage data for Region 10:

| STATE      | AHW     | ANNUAL   |
|------------|---------|----------|
| Arizona    | \$34.51 | \$71,790 |
| Colorado   | \$33.65 | \$69,990 |
| Idaho      | \$29.46 | \$61,280 |
| Montana    | \$30.12 | \$62,650 |
| New Mexico | \$31.74 | \$66,030 |
| Utah       | \$29.33 | \$61,000 |
| Wyoming    | \$29.84 | \$62,080 |

# Contract Labor

- Include all contract labor included on Worksheet S-3
  - Line 11 – Direct Patient Care
  - Lines 28, 33 and 35 – Contracted A&G, Dietary & Housekeeping
  - Use amounts paid in calendar year 2016

# What is Not Included

- Employees in areas excluded from IPPS
  - Skilled-nursing facilities, psychiatric, or rehabilitation units
    - Worksheet S-3, Part II, Lines 9 and 10
  - Part A Teaching Physician, Physician Part B, and CRNAs
    - Worksheet S-3, Part II, Lines 3, 4.01, 5, & 6
  - Interns and Residents
    - Worksheet S-3, Part II, Lines 7

# Occupational Mix Adjustment Factor

- CMS calculator at CMS Website
- <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Wage-Index-Files-Items/FY-2016-Wage-Index-Home-Page.html>
  - Then scroll down for FY 2016 Final Rule AHW Calculator

# OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

**You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator**

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

**Provider Information**

Provider Number

MAC #

Occ Mix Begin Date

Occ Mix End Date

|                                       |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---------------------------------------|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|                                       | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2015 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2015 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN                                    | 0                      | 0                         | 0.00%                     | \$38.823902202                             | 0                     |   |                                 |                     |
| LPN and Surgical Technicians          | 0                      | 0                         | 0.00%                     | \$22.767361175                             | 0                     |   |                                 |                     |
| Nursing Assistants and Orderlies      | 0                      | 0                         | 0.00%                     | \$15.955866208                             | 0                     |   |                                 |                     |
| Medical Assistants                    | 0                      | 0                         | 0.00%                     | \$18.006207097                             | 0                     |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b> | <b>0</b>               | <b>0</b>                  |                           |  | <b>0</b>              | <b>\$32.875956041</b>                     | <b>0.0000</b>                   | <b>0.00%</b>        |
| ALLOTHER                              | 0                      | 0                         |                           |  | step 4                |   |                                 | <b>0.00%</b>        |
| <b>TOTAL</b>                          | <b>0</b>               | <b>0</b>                  |                           |  |                       |   |                                 |                     |

**Wage Data from Cost Report**

|                                    |     |  |  |
|------------------------------------|-----|--|--|
| Wages (From S-3, Parts II and III) | \$0 | (These are inflated wages, from cell B97 from AHW calculator). | <b>THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2552-10 SPREADSHEET!!</b> |
| Hours (From S-3, Parts II and III) | 0   | (Revised hours from cell B98 from AHW calculator).             |  |
| Unadjusted AHW                     | 0   | (Should match AHW in cell B100 from AHW calculator).           |  |

|                                    |                   |        |
|------------------------------------|-------------------|--------|
| Nurse Occ Mix Wages                | \$0               | step 7 |
| All Other Unadjusted Occ Mix Wages | \$0               | step 7 |
| Total Occ Mix Wages                | \$0               | step 8 |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>0.00000000</b> | step 8 |



Medicare Reimbursement Experts Since 1990

# OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

**You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator**

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

**Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet**

| Provider Information |  |
|----------------------|--|
| Provider Number      |  |
| MAC #                |  |
| Occ Mix Begin Date   |  |
| Occ Mix End Date     |  |

|   |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|   | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2015 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2015 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN  | 0                      | 0                         | 0.00%                     | \$38.823902202                             | 0                     |   |                                 |                     |
| LPN and Surgical Technicians                    | 0                      | 0                         | 0.00%                     | \$22.767361175                             | 0                     |   |                                 |                     |
| National Nurse Aides, Orderlies, and Attendants | 0                      | 0                         | 0.00%                     | \$15.955866208                             | 0                     |   |                                 |                     |
| Medical Assistants                              | 0                      | 0                         | 0.00%                     | \$18.006207097                             | 0                     |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b>           | <b>0</b>               | <b>0</b>                  |                           |  | 0                     | <b>\$32.875956041</b>                     | <b>0.0000</b>                   | <b>0.00%</b>        |
| ALLOTHER  | 0                      | 0                         |                           |  | step 4                |   |                                 | <b>0.00%</b>        |
| <b>TOTAL</b>                                    | <b>0</b>               | <b>0</b>                  |                           |  |                       |   |                                 |                     |

### Wage Data from Cost Report

|                                    |     |  |
|------------------------------------|-----|--|
| Wages (From S-3, Parts II and III) | \$0 | (These are inflated wages, from cell B97 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 0   | (Revised hours from cell B98 from AHW calculator).             |
| Unadjusted AHW                     | 0   | (Should match AHW in cell B100 from AHW calculator).           |

**THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2552-10 SPREADSHEET!!**

|                                    |                   |        |
|------------------------------------|-------------------|--------|
| Nurse Occ Mix Wages                | \$0               | step 7 |
| All Other Unadjusted Occ Mix Wages | \$0               | step 7 |
| Total Occ Mix Wages                | \$0               | step 8 |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>0.00000000</b> | step 8 |

# OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

**You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator**

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

**Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet**

| Provider Information |  |
|----------------------|--|
| Provider Number      |  |
| MAC #                |  |
| Occ Mix Begin Date   |  |
| Occ Mix End Date     |  |

|   |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|   | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2015 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2015 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN  | 0                      | 0                         | 0.00%                     | \$38.823902202                             | 0                     |   |                                 |                     |
| LPN and Surgical Technicians                    | 0                      | 0                         | 0.00%                     | \$22.767361175                             | 0                     |   |                                 |                     |
| National Nurse Aides, Orderlies, and Attendants | 0                      | 0                         | 0.00%                     | \$15.955866208                             | 0                     |   |                                 |                     |
| Medical Assistants                              | 0                      | 0                         | 0.00%                     | \$18.006207097                             | 0                     |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b>           | <b>0</b>               | <b>0</b>                  |                           |  | 0                     | <b>\$32.875956041</b>                     | <b>0.0000</b>                   | <b>0.00%</b>        |
| ALLOTHER  | 0                      | 0                         |                           |  | step 4                |   |                                 | <b>0.00%</b>        |
| <b>TOTAL</b>                                    | <b>0</b>               | <b>0</b>                  |                           |  |                       |   |                                 |                     |

### Wage Data from Cost Report

|                                    |     |  |  |
|------------------------------------|-----|--|--|
| Wages (From S-3, Parts II and III) | \$0 | (These are inflated wages, from cell B97 from AHW calculator). | <b>THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2552-10 SPREADSHEET!!</b> |
| Hours (From S-3, Parts II and III) | 0   | (Revised hours from cell B98 from AHW calculator).             |  |
| Unadjusted AHW                     | 0   | (Should match AHW in cell B100 from AHW calculator).           |  |

|                                    |                   |        |
|------------------------------------|-------------------|--------|
| Nurse Occ Mix Wages                | \$0               | step 7 |
| All Other Unadjusted Occ Mix Wages | \$0               | step 7 |
| Total Occ Mix Wages                | \$0               | step 8 |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>0.00000000</b> | step 8 |

**Fields in GREEN are filled in from IPPS wage index Web Site or Federal Registers**

# OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

**You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator**

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

**Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet**

| Provider Information |  |
|----------------------|--|
| Provider Number      |  |
| MAC #                |  |
| Occ Mix Begin Date   |  |
| Occ Mix End Date     |  |

|     |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|-----|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|     | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2015 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2015 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN  | 0                      | 0                         | 0.00%                     | \$38.823902202                             | 0                     |   |                                 |                     |
| LPI | 0                      | 0                         | 0.00%                     | \$22.767361175                             | 0                     |   |                                 |                     |
| Nat | 0                      | 0                         | 0.00%                     | \$15.955866208                             | 0                     |   |                                 |                     |
| Me  | 0                      | 0                         | 0.00%                     | \$18.006207097                             | 0                     |   |                                 |                     |
| ies | 0                      | 0                         |                           |  | 0                     | \$32.875956041                            | 0.0000                          | 0.00%               |
| AL  | 0                      | 0                         |                           |  | step 4                |   |                                 | 0.00%               |
| TO  | 0                      | 0                         |                           |  |                       |   |                                 |                     |

**Fields in BOLD and/or BLUE are calculated fields--DO NOT ENTER any information here**

**Wage Data from Cost Report**

|                                    |     |  |  |
|------------------------------------|-----|--|--|
| Wages (From S-3, Parts II and III) | \$0 | (These are inflated wages, from cell B97 from AHW calculator). | <b>THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2552-10 SPREADSHEET!!</b> |
| Hours (From S-3, Parts II and III) | 0   | (Revised hours from cell B98 from AHW calculator).             |  |
| Unadjusted AHW                     | 0   | (Should match AHW in cell B100 from AHW calculator).           |  |

|                                    |            |        |
|------------------------------------|------------|--------|
| Nurse Occ Mix Wages                | \$0        | step 7 |
| All Other Unadjusted Occ Mix Wages | \$0        | step 7 |
| Total Occ Mix Wages                | \$0        | step 8 |
| Final Occ Mix Adjusted AHW         | 0.00000000 | step 8 |

**Fields in GREEN are filled in from IPPS wage index Web Site or Federal Registers**





# Occupational Mix Adjustment Factor

- Calculate Impact on AHW
  - Step 1 - Determine % of each subcategory by hours
  - Step 2 - Multiply each subcategory by National AHW
  - Step 3 - Determines AHW by subcategory
  - Step 4 - Sum for Hospital Nursing AHW
  - Step 5 - Compare Hospital Nursing AHW to National
  - Step 6 - Calculates Nurse Occ Mix factor
  - Step 7 - Multiply this by Nursing % to total
  - Step 8 - Add to "All Other" %

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---------------------------------------|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|                                       | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN                                    | 2,500,000              | 74,000,000                | 67.92%                    | \$37.435806262                             | 25.425025             |   |                                 |                     |
| LPN and Surgical Technicians          | 169,000                | 3,200,000                 | 4.59%                     | \$21.779745192                             | 0.9999394             |   |                                 |                     |
| Nursing Assistants and Orderlies      | 1,000,000              | 14,000,000                | 27.17%                    | \$15.334363984                             | 4.1658147             |   |                                 |                     |
| Medical Assistants                    | 12,000                 | 150,000                   | 0.33%                     | \$17.232523608                             | 0.0561777             |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b> | <b>3,681,000</b>       | <b>91,350,000</b>         |                           |  | <b>30.646956</b>      | <b>\$31.852574284</b>                     | <b>1.0393</b>                   | <b>47.74%</b>       |
| ALLOTHER                              | 4,500,000              | 100,000,000               |                           |  | step 4                |   |                                 | 52.26%              |
| <b>TOTAL</b>                          | <b>8,181,000</b>       | <b>191,350,000</b>        |                           |  |                       |   |                                 |                     |

## Wage Data from Cost Report

|                                    |               |  |
|------------------------------------|---------------|--|
| Wages (From S-3, Parts II and III) | \$146,433,337 | (These are inflated wages, from cell B99 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 3,125,000     | (Revised hours from cell B100 from AHW calculator).            |
| Unadjusted AHW                     | 46.85866784   | (Should match AHW in cell B103 from AHW calculator).           |

|                                    |               |        |
|------------------------------------|---------------|--------|
| Nurse Occ Mix Wages                | \$72,656,961  | step 7 |
| All Other Unadjusted Occ Mix Wages | \$76,526,437  | step 7 |
| Total Occ Mix Wages                | \$149,183,398 | step 8 |
| Final Occ Mix Adjusted AHW         | 47.73868738   | step 8 |

Occupational Mix Adjustment

1.9%



Medicare Reimbursement Experts Since 1990

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                  | step 1                 | step 2                    | step 3                    | step 4                                     |
|----------------------------------|------------------------|---------------------------|---------------------------|--|
|                                  | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory |
| RN                               | 2,500,000              | 74,000,000                | 67.92%                    | \$37.435806262                             |
| LPN and Surgical Technicians     | 169,000                | 3,200,000                 | 4.59%                     | \$21.779745192                             |
| Nursing Assistants and Orderlies | 1,000,000              | 14,000,000                | 27.17%                    | \$15.334363984                             |
| Medical Assistants               | 12,000                 | 150,000                   | 0.33%                     | \$17.232523608                             |
| Total Nurse Hours and Salaries   | 3,681,000              | 91,350,000                |                           | 30.646956                                  |
| ALLOTHER                         | 4,500,000              | 100,000,000               |                           |  |
| TOTAL                            | 8,181,000              | 191,350,000               |                           |  |

| step 1                           |
|----------------------------------|
| <b>Provider % by Subcategory</b> |
| <b>67.92%</b>                    |
| <b>4.59%</b>                     |
| <b>27.17%</b>                    |
| <b>0.33%</b>                     |

| Wage Data from Cost Report         |  |
|------------------------------------|--|
| Wages (From S-3, Parts II and III) | \$146,433,337 (These are inflated wages, from cell B99 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 3,125,000 (Revised hours from cell B100 from AHW calculator).                |
| Unadjusted AHW                     | 46.85866784 (Should match AHW in cell B103 from AHW calculator).             |

|                                    |               |        |
|------------------------------------|---------------|--------|
| Nurse Occ Mix Wages                | \$72,656,961  | step 7 |
| All Other Unadjusted Occ Mix Wages | \$76,526,437  | step 7 |
| Total Occ Mix Wages                | \$149,183,398 | step 8 |
| Final Occ Mix Adjusted AHW         | 47.73868738   | step 8 |

Occupational Mix Adjustment

1.9%



Medicare Reimbursement Experts Since 1990

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPSS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                  | step 1                 | step 2                    | step 3                    | Final Adju                                 |
|----------------------------------|------------------------|---------------------------|---------------------------|--|
|                                  | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory |
| RN                               | 2,500,000              | 74,000,000                | 67.92%                    | \$37.435806262                             |
| LPN and Surgical Technicians     | 169,000                | 3,200,000                 | 4.59%                     | \$21.779745192                             |
| Nursing Assistants and Orderlies | 1,000,000              | 14,000,000                | 27.17%                    | \$15.334363984                             |
| Medical Assistants               | 12,000                 | 150,000                   | 0.33%                     | \$17.232523608                             |
| Total Nurse Hours and Salaries   | 3,681,000              | 91,350,000                |                           | 30.646956                                  |
| ALLOTHER                         | 4,500,000              | 100,000,000               |                           | step 4                                     |
| <b>TOTAL</b>                     | <b>8,181,000</b>       | <b>191,350,000</b>        |                           |  |

| step 2  |
|---|
| <b>FY 2011 Final National AHWs by Subcategory</b> |
| \$37.435806262                                    |
| \$21.779745192                                    |
| \$15.334363984                                    |
| \$17.232523608                                    |

| Wage Data from Cost Report         |  |
|------------------------------------|--|
| Wages (From S-3, Parts II and III) | \$146,433,337 (These are inflated wages, from cell B99 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 3,125,000 (Revised hours from cell B100 from AHW calculator).                |
| Unadjusted AHW                     | 46.85866784 (Should match AHW in cell B103 from AHW calculator).             |

|                                    |                    |        |
|------------------------------------|--------------------|--------|
| Nurse Occ Mix Wages                | \$72,656,961       | step 7 |
| All Other Unadjusted Occ Mix Wages | \$76,526,437       | step 7 |
| Total Occ Mix Wages                | \$149,183,398      | step 8 |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>47.73868738</b> | step 8 |

Occupational Mix Adjustment

1.9%



Medicare Reimbursement Experts Since 1990

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       |                        |                           | step 1                    | step 2                                     | step 3                |            |
|---------------------------------------|------------------------|---------------------------|---------------------------|--|-----------------------|------------|
|                                       | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory | Provider Adjusted AHW | Final Adju |
| RN                                    | 2,500,000              | 74,000,000                | 67.92%                    | \$37.435806262                             | 25.425025             |            |
| LPN and Surgical Technicians          | 169,000                | 3,200,000                 | 4.59%                     | \$21.779745192                             | 0.9999394             |            |
| Nursing Assistants and Orderlies      | 1,000,000              | 14,000,000                | 27.17%                    | \$15.334363984                             | 4.1658147             |            |
| Medical Assistants                    | 12,000                 | 150,000                   | 0.33%                     | \$17.232523608                             | 0.0561777             |            |
| <b>Total Nurse Hours and Salaries</b> | <b>3,681,000</b>       | <b>91,350,000</b>         |                           |  | <b>30.646956</b>      |            |
| ALLOTHER                              | 4,500,000              | 100,000,000               |                           |  |                       | step 4     |
| <b>TOTAL</b>                          | <b>8,181,000</b>       | <b>191,350,000</b>        |                           |  |                       |            |

| Wage Data from Cost Report         |  |
|------------------------------------|--|
| Wages (From S-3, Parts II and III) | \$146,433,337 (These are inflated wages, from cell B99 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 3,125,000 (Revised hours from cell B100 from AHW calculator).                |
| Unadjusted AHW                     | 46.85866784 (Should match AHW in cell B103 from AHW calculator).             |

|                                    |                    |        |
|------------------------------------|--------------------|--------|
| Nurse Occ Mix Wages                | \$72,656,961       | step 7 |
| All Other Unadjusted Occ Mix Wages | \$76,526,437       | step 7 |
| Total Occ Mix Wages                | \$149,183,398      | step 8 |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>47.73868738</b> | step 8 |

Occupational Mix Adjustment

1.9%

| step 3                       |
|------------------------------|
| <b>Provider Adjusted AHW</b> |
| <b>25.425025</b>             |
| <b>0.9999394</b>             |
| <b>4.1658147</b>             |
| <b>0.0561777</b>             |
| <b>30.646956</b>             |
| <b>step 4</b>                |



Medicare Reimbursement Experts Since 1990

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

**You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator**

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                  | Provider Occ Mix Hours | Pr Mi |
|----------------------------------|------------------------|-------|
| RN                               | 2,500,000              | 74    |
| LPN and Surgical Technicians     | 169,000                | 3.2   |
| Nursing Assistants and Orderlies | 1,000,000              | 14    |
| Medical Assistants               | 12,000                 | 15    |
| Total Nurse Hours and Salaries   | 3,681,000              | 91    |
| ALLOTHER                         | 4,500,000              | 10    |
| TOTAL                            | 8,181,000              | 19    |

| Wage Data from Cost Report         |               |
|------------------------------------|---------------|
| Wages (From S-3, Parts II and III) | \$146,433,337 |
| Hours (From S-3, Parts II and III) | 3,125,000     |
| Unadjusted AHW                     | 46.85866784   |
| Nurse Occ Mix Wages                | \$72,656,961  |
| All Other Unadjusted Occ Mix Wages | \$76,526,437  |
| Total Occ Mix Wages                | \$149,183,398 |
| Final Occ Mix Adjusted AHW         | 47.73868738   |

step 5

Final FY 2011 National Adjusted Nurse AHW

\$31.852574284

|          | step 5                                    | step 6                          | in step 7           |
|----------|---|---------------------------------|---------------------|
| Provider | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| 5025     |   |                                 |                     |
| 9394     |   |                                 |                     |
| 8147     |   |                                 |                     |
| 1777     |   |                                 |                     |
| 6956     | \$31.852574284                            | 1.0393                          | 47.74%              |
|          |   |                                 | 52.26%              |

Occupational Mix Adjustment 1.9%

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       | Provider Occ Mix Hours |
|---------------------------------------|------------------------|
| RN                                    | 2,500,000              |
| LPN and Surgical Technicians          | 169,000                |
| Nursing Assistants and Orderlies      | 1,000,000              |
| Medical Assistants                    | 12,000                 |
| <b>Total Nurse Hours and Salaries</b> | <b>3,681,000</b>       |
| ALLOTHER                              | 4,500,000              |
| <b>TOTAL</b>                          | <b>8,181,000</b>       |

|                                    |               |
|------------------------------------|---------------|
| Wages (From S-3, Parts II and III) | \$146,433,337 |
| Hours (From S-3, Parts II and III) | 3,125,000     |
| Unadjusted AHW                     | 46.85866784   |
| Nurse Occ Mix Wages                | \$72,656,961  |
| All Other Unadjusted Occ Mix Wages | \$76,526,437  |
| Total Occ Mix Wages                | \$149,183,398 |

Final Occ Mix Adjusted AHW 47.73868738

**step 6**

**Nurse Occ Mix Adjustment Factor**

**1.0393**

| step 2                               | step 3                | step 5                                    | step 6                          | in step 7           |
|--------------------------------------|-----------------------|---|---------------------------------|---------------------|
| 2011 Final national AHWs by category | Provider Adjusted AHW | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| \$37.435806262                       | 25.425025             |   |                                 |                     |
| \$21.779745192                       | 0.9999394             |   |                                 |                     |
| \$15.334363984                       | 4.1658147             |   |                                 |                     |
| \$17.232523608                       | 0.0561777             |   |                                 |                     |
|                                      | 30.646956             | \$31.852574284                            | 1.0393                          | 47.74%              |
|                                      | step 4                |   |                                 | 52.26%              |

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPSS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       | Provider Occ Mix Hours | Pro Mix  |
|---------------------------------------|------------------------|----------|
| RN                                    | 2,500,000              |          |
| LPN and Surgical Technicians          | 169,000                |          |
| Nursing Assistants and Orderlies      | 1,000,000              |          |
| Medical Assistants                    | 12,000                 |          |
| <b>Total Nurse Hours and Salaries</b> | <b>3,681,000</b>       |          |
| ALLOTHER                              | 4,500,000              | 1        |
| <b>TOTAL</b>                          | <b>8,181,000</b>       | <b>1</b> |

|                                    | Wages                | Step |
|------------------------------------|----------------------|------|
| Wages (From S-3, Parts II and III) | \$146,433,337        | (The |
| Hours (From S-3, Parts II and III) | 3,125,000            | (Rev |
| Unadjusted AHW                     | 46.85866784          | (Shd |
| Nurse Occ Mix Wages                | \$72,656,961         | step |
| All Other Unadjusted Occ Mix Wages | \$76,526,437         | step |
| <b>Total Occ Mix Wages</b>         | <b>\$149,183,398</b> | step |
| <b>Final Occ Mix Adjusted AHW</b>  | <b>47.73868738</b>   | step |

| in step 7                     |                       |   |                                 |                     |
|-------------------------------|-----------------------|---|---------------------------------|---------------------|
| step 2                        | step 3                | step 5                                    | step 6                          | in step 7           |
| 011 Final al AHWs by category | Provider Adjusted AHW | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| 37.435806262                  | 25.425025             |   |                                 |                     |
| 21.779745192                  | 0.9999394             |   |                                 |                     |
| 5.334363984                   | 4.1658147             |   |                                 |                     |
| 17.232523608                  | 0.0561777             |   |                                 |                     |
|                               | 30.646956             | \$31.852574284                            | 1.0393                          | 47.74%              |
|                               | step 4                |   |                                 | 52.26%              |
| <b>47.74%</b>                 |                       |   |                                 |                     |
| <b>52.26%</b>                 |                       |   |                                 |                     |

Occupational Mix Adjustment

1.9%



Medicare Reimbursement Experts Since 1990



# Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet

Fields in GREEN are filled in from IPPS wage index Web Site or Federal Registers  
 Fields in BOLD and/or Blue are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---------------------------------------|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|                                       | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN                                    | 2,500,000              | 74,000,000                | 67.92%                    | \$37.435806262                             | 25.425025             |   |                                 |                     |
| LPN and Surgical Technicians          | 169,300                | 3,200,000                 | 4.59%                     | \$21.779745192                             | 0.9999394             |   |                                 |                     |
| Nursing Assistants and Orderlies      | 1,000,000              | 14,000,000                | 27.17%                    | \$15.334363984                             | 4.1658147             |   |                                 |                     |
| Medical Assistants                    | 12,000                 | 150,000                   | 0.33%                     | \$17.232523608                             | 0.0561777             |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b> | <b>3,681,000</b>       | <b>91,350,000</b>         |                           |  | <b>30.646956</b>      | <b>\$31.852574284</b>                     | <b>1.0393</b>                   | <b>47.74%</b>       |
| ALLOTHER                              | 4,500,000              | 100,000,000               |                           |  | step 4                |   |                                 | 52.26%              |
| <b>TOTAL</b>                          | <b>8,181,000</b>       | <b>191,350,000</b>        |                           |  |                       |   |                                 |                     |

| Wage Data from Cost                |   |
|------------------------------------|---|
| Wages (From S-3, Parts II and III) | \$146,433,337 (These are inflated wages)      |
| Hours (From S-3, Parts II and III) | 3,125,000 (Revised hours from cost)           |
| Unadjusted AHW                     | 46.85866784 (Should match AHW in spreadsheet) |
| Nurse Occ Mix Wages                | \$72,656,961 step 7                           |
| All Other Unadjusted Occ Mix Wages | \$76,526,437 step 7                           |
| Total Occ Mix Wages                | \$149,183,398 step 8                          |
| Final Occ Mix Adjusted AHW         | 47.73868738 step 8                            |

|                      |        |
|----------------------|--------|
| <b>\$72,656,961</b>  | step 7 |
| <b>\$76,526,437</b>  | step 7 |
| <b>\$149,183,398</b> | step 8 |
| <b>47.73868738</b>   | step 8 |

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

# Negative Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculated fields--DO NOT ENTER any information here

| Provider Information |            |
|----------------------|------------|
| Provider Number      |            |
| FI #                 |            |
| Occ Mix Begin Date   | 1/1/2009   |
| Occ Mix End Date     | 12/31/2009 |

|                                       |                        |                           | step 1                    | step 2                                     | step 3                | step 5                                    | step 6                          | in step 7           |
|---------------------------------------|------------------------|---------------------------|---------------------------|--|-----------------------|---|---------------------------------|---------------------|
|                                       | Provider Occ Mix Hours | Provider Occ Mix Salaries | Provider % by Subcategory | FY 2011 Final National AHWs by Subcategory | Provider Adjusted AHW | Final FY 2011 National Adjusted Nurse AHW | Nurse Occ Mix Adjustment Factor | Provider % by Total |
| RN                                    | 1,000,000              | 35,000,000                | 84.46%                    | \$37.435806262                             | 31.61808              |   |                                 |                     |
| LPN and Surgical Technicians          | 170,000                | 3,000,000                 | 14.36%                    | \$21.779745192                             | 3.1271594             |   |                                 |                     |
| Nursing Assistants and Orderlies      | 14,000                 | 200,000                   | 1.18%                     | \$15.334363984                             | 0.1813185             |   |                                 |                     |
| Medical Assistants                    | 0                      | 0                         | 0.00%                     | \$17.232523608                             | 0                     |   |                                 |                     |
| <b>Total Nurse Hours and Salaries</b> | <b>1,184,000</b>       | <b>38,200,000</b>         |                           |  | <b>34.926557</b>      | <b>\$31.852574284</b>                     | <b>0.9120</b>                   | <b>32.59%</b>       |
| ALLOTHER                              | 3,800,000              | 79,000,000                |                           |  | step 4                |   |                                 | 67.41%              |
| <b>TOTAL</b>                          | <b>4,984,000</b>       | <b>117,200,000</b>        |                           |  |                       |   |                                 |                     |

## Wage Data from Cost Report

|                                    |               |  |
|------------------------------------|---------------|--|
| Wages (From S-3, Parts II and III) | \$146,433,337 | (These are inflated wages, from cell B99 from AHW calculator). |
| Hours (From S-3, Parts II and III) | 3,125,000     | (Revised hours from cell B100 from AHW calculator).            |
| Unadjusted AHW                     | 46.85866784   | (Should match AHW in cell B103 from AHW calculator).           |

|                                    |               |        |
|------------------------------------|---------------|--------|
| Nurse Occ Mix Wages                | \$43,527,574  | step 7 |
| All Other Unadjusted Occ Mix Wages | \$98,705,065  | step 7 |
| Total Occ Mix Wages                | \$142,232,639 | step 8 |
| Final Occ Mix Adjusted AHW         | 45.51444461   | step 8 |

-2.9%

# How Significant an Impact on the Wage Index?

- Largest Impact typically occurs in CBSAs where there are few hospitals:
- San Luis Obispo-Paso Robles-Arroyo Grand, CA (42020) – 6.40% decrease
- Lebanon, PA (30140) – 14.20% increase

# Impact on Wage Index for Arizona CBSA's

| <b>CBSA</b> | <b>NAME</b>           | <b>WI without<br/>OCC MIX</b> | <b>OCC MIX<br/>Adjustment</b> | <b>FY 2017<br/>WI</b> |
|-------------|-----------------------|-------------------------------|-------------------------------|-----------------------|
| 3           | ARIZONA-RURAL         | 1.1028                        | (0.0111)                      | 1.0917                |
| 22380       | Flagstaff             | 1.1631                        | (0.0326)                      | 1.1305                |
| 29420       | Lake Havasu-Kingman   | 1.0917                        | 0.0010                        | 1.0917*               |
| 38060       | Phoenix-Mesa-Glendale | 1.0917                        | 0.0137                        | 1.0917*               |
| 39140       | Prescott              | 1.0917                        | (0.0227)                      | 1.0917*               |
| 43420       | Sierra Vista-Douglas  | 1.0917                        | 0.0063                        | 1.0917*               |
| 46060       | Tucson                | 1.0917                        | 0.0042                        | 1.0917*               |
| 49740       | Yuma                  | 1.0917                        | 0.0084                        | 1.0917*               |

\* Receiving rural floor

# Impact on Wage Index for Colorado CBSA's

| <b>CBSA</b> | <b>NAME</b>                | <b>WI without OCC MIX</b> | <b>OCC MIX Adjustment</b> | <b>FY 2017 WI</b> |
|-------------|----------------------------|---------------------------|---------------------------|-------------------|
| 06          | COLORADO- RURAL            | 0.9907                    | (0.0132)                  | 0.9775            |
| 14500       | Boulder, CO                | 1.0221                    | (0.0202)                  | 1.0019            |
| 17820       | Colorado Springs, CO       | 0.9979                    | 0.0004                    | 0.9983            |
| 19740       | Denver-Aurora-Lakewood, CO | 1.0251                    | (0.0085)                  | 1.0166            |
| 22660       | Fort Collins, CO           | 1.0286                    | (0.0074)                  | 1.0212            |
| 24300       | Grand Junction, CO         | 0.9775                    | (0.0067)                  | 0.9775*           |
| 24540       | Greeley, CO                | 0.9775                    | 0.0257                    | 0.9775*           |
| 39380       | Pueblo, CO                 | 0.9775                    | (0.0110)                  | 0.9775*           |

\* Receiving rural floor

# Impact on Wage Index for Idaho CBSA's

| <b>CBSA</b> | <b>NAME</b>       | <b>WI without<br/>OCC MIX</b> | <b>OCC MIX<br/>Adjustment</b> | <b>FY 2017<br/>WI</b> |
|-------------|-------------------|-------------------------------|-------------------------------|-----------------------|
| 13          | IDAHO-RURAL       | 0.7262                        | 0.0210                        | 0.7472                |
| 14260       | Boise City, ID    | 0.9013                        | 0.0175                        | 0.9188                |
| 17660       | Coeur d'Alene, ID | 0.9665                        | 0.0014                        | 0.9679                |
| 26820       | Idaho Falls, ID   | 0.9123                        | (0.0071)                      | 0.9052                |
| 30300       | Lewiston, ID-WA   | 0.9336                        | (0.0175)                      | 0.9161                |
| 30860       | Logan, UT-ID      | 0.8720                        | 0.0101                        | 0.8821                |
| 38540       | Pocatello, ID     | 0.9590                        | (0.0142)                      | 0.9448                |

# Impact on Wage Index for Montana\* CBSA's

| <b>CBSA</b> | <b>NAME</b>     | <b>WI without<br/>OCC MIX</b> | <b>OCC MIX<br/>Adjustment</b> | <b>FY 2017 WI</b> |
|-------------|-----------------|-------------------------------|-------------------------------|-------------------|
| 27          | MONTANA-RURAL   | 1.0000                        | (0.0084)                      | 1.0000            |
| 13740       | Billings, MT    | 1.0000                        | 0.0065                        | 1.0000            |
| 24500       | Great Falls, MT | 1.0000                        | (0.0047)                      | 1.0000            |
| 33540       | Missoula, MT    | 1.0000                        | (0.0015)                      | 1.0000            |

\* Frontier state; receives wage index of 1.0000 minimum

# Impact on Wage Index for New Mexico CBSA's

| <b>CBSA</b> | <b>NAME</b>      | <b>WI without<br/>OCC MIX</b> | <b>OCC MIX<br/>Adjustment</b> | <b>FY 2017 WI</b> |
|-------------|------------------|-------------------------------|-------------------------------|-------------------|
| 32          | NEW MEXICO-RURAL | 0.8399                        | (0.0085)                      | 0.8314            |
| 10740       | Albuquerque, NM  | 0.9058                        | 0.0104                        | 0.9162            |
| 22140       | Farmington, NM   | 0.9260                        | (0.0106)                      | 0.9154            |
| 29740       | Las Cruces, NM   | 0.8615                        | (0.0020)                      | 0.8595            |
| 42140       | Santa Fe, NM     | 1.0054                        | 0.0137                        | 1.0191            |



# Impact on Wage Index for Utah CBSA's

| <b>CBSA</b> | <b>NAME</b>          | <b>WI without OCC MIX</b> | <b>OCC MIX Adjustment</b> | <b>FY 2017 WI</b> |
|-------------|----------------------|---------------------------|---------------------------|-------------------|
| 46          | UTAH-RURAL           | 0.9052                    | 0.0004                    | 0.9056            |
| 30860       | Logan, UT-ID         | 0.9056                    | 0.0101                    | 0.9056*           |
| 36260       | Ogden-Clearfield, UT | 0.9093                    | (0.0008)                  | 0.9085            |
| 39340       | Provo-Orem, UT       | 0.9530                    | (0.0112)                  | 0.9418            |
| 41100       | St. George, UT       | 0.9468                    | 0.0123                    | 0.9591            |
| 41620       | Salt Lake City, UT   | 0.9503                    | 0.0124                    | 0.9627            |

\* Receiving rural floor

# Impact on Wage Index for Wyoming\* CBSA's

| <b>CBSA</b> | <b>NAME</b>   | <b>WI without OCC MIX</b> | <b>OCC MIX Adjustment</b> | <b>FY 2017 WI</b> |
|-------------|---------------|---------------------------|---------------------------|-------------------|
| 53          | WYOMING-RURAL | 1.0000                    | (0.0194)                  | 1.0000            |
| 16220       | Casper, WY    | 1.0138                    | (0.0015)                  | 1.0123            |
| 16940       | Cheyenne, WY  | 1.0000                    | 0.0080                    | 1.0000            |

\* Frontier state; receives wage index of 1.0000 minimum

# Strategy for Optimization

- Minimize RN percentage and maximize other three components of the first category
- Your hospital's percentage of RN hours to total nursing hours will be compared to the national average
- If you're above the national average, you get a negative adjustment; below national figures gives a positive adjustment
- The national average in the last survey was 71.5%.

# Job Titles & Patient Care

- As you review job titles, ask yourself;

*"Are they involved in patient care?"*

# What Does the RN Do?

- When categorizing RNs, include only those involved with patient care
- Those performing solely administration functions should be included in "ALL OTHER" category
- Also look at RNs on floors that may be solely administrative or educational

# Nursing Occupation Categories

- The categories of LPN's, nurse aides, orderlies, attendants and medical assistants need to be scrutinized so that they are included in an effort to dilute the RN impact
- Other departments should be investigated to see if they have any employees who actually do the work of LPN's, aides, orderlies and attendants
- Examples include patient transport and non-excluded clinics

# Where to Assign the Data

- Director of Nursing or anyone handling those functions should be in the “All Other” category
- Transportation for surgery
  - Include in LPN’s and Surgical Technologists per the instructions
- Advanced Practice Nurses
  - Exclude if billed under Part B
  - Instructions say to include in “All Other” if included on S-3

# What's Next?

- Plan ahead – Data required is this calendar year
  - Who is preparing the form?
- Collecting your data
  - Pay Periods ending between January 1, 2016 – December 31, 2016
  - Contract labor hours
  - Home office
  - Related organization
  - July 1, 2017 Deadline



# Questions

- **K. Michael Webdale, CPA – President & CEO**
  - [mwebdale@rcmgmt.com](mailto:mwebdale@rcmgmt.com)
- **Dave Hanak– Director, Sales & Marketing**
  - [dhanak@rcmgmt.com](mailto:dhanak@rcmgmt.com)
  - **(602) 995-9420 or (800) 862-5368**
  - [www.rcmgmt.com](http://www.rcmgmt.com)
  - [info@rcmgmt.com](mailto:info@rcmgmt.com)